

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

**OCTOBER 14, 2008**

**CITY COMMISSION CHAMBERS @ 5:30 P.M.**

### **MINUTES**

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, October 14, 2008.

Mayor Warmington opened the meeting with a prayer from Vice Mayor Gawron after which the Commission and public recited the Pledge of Allegiance to the Flag.

#### **ROLL CALL FOR THE REGULAR COMMISSION MEETING:**

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Lawrence Spataro, Sue Wierengo, Steve Wisneski, and Clara Shepherd, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

Absent: Commissioner Chris Carter (excused).

#### **2008-86 CONSENT AGENDA:**

##### **A. Approval of Minutes.** CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, September 23<sup>rd</sup>.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

##### **B. Information Use Agreements.** PUBLIC SAFETY

SUMMARY OF REQUEST: The Director of Public Safety is requesting the Commission's approval to enter into Information Use Agreements with a variety of state Department of Motor Vehicle agencies from around the country. These agreements will allow the police department to access information needed for parking and abandoned vehicle enforcement. We currently have one agreement pending with the Commonwealth of Virginia and expect more agreements in the near future.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the agreement.

**C. Film & Music Policy – City of Muskegon.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The State of Michigan is offering a lucrative tax incentive package to companies filming within the State. This has been fortunate for the City of Muskegon, as some of these film companies are asking to film in Muskegon. In addition, there are plans for a major film studio to locate in the City. The Muskegon Events Committee is working on this issue, including developing the best ways to meet the needs of the film companies. In addition, City staff has determined that a City of Muskegon Film & Music Policy is needed to assist in streamlining the process for film and music companies, while considering the needs and demands on City services. Therefore, a Film & Music Events Policy is being presented to the City Commission for consideration and approval.

FINANCIAL IMPACT: The Policy will allow for collection of fees for various City services, while leaving the exact amounts flexible, depending on the needs of the specific film and/or music company and the demands on City services.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Policy.

**D. SECOND READING: Rezoning Request for Property Located at 1338 S. Getty Street.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone the property located at 1338 S. Getty Street, from B-4, General Business District to R, One Family Residential District.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the request.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the request at their September 11<sup>th</sup> meeting. The vote was unanimous, with T. Michalski, B. Larson and J. Aslakson absent.

**E. SECOND READING: Amendment to the Zoning Ordinance – Outdoor Seating.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to amend Section 2308, #2 (Outdoor Seating) of Article XXIII (General Provisions) to require a minimum of six feet of paved area for pedestrian circulation.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends amendment of the Zoning Ordinance to require a minimum of six feet of paved area for pedestrian circulation.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the request at their September 11<sup>th</sup> meeting. The vote was unanimous with T. Michalski, B. Larson, and J. Aslakson absent.

**F. West Michigan Metropolitan Transportation Plan (WestPlan) Dues, FY2009.**  
CITY MANAGER

SUMMARY OF REQUEST: To approve the City of Muskegon's portion of the WestPlan dues for Fiscal Year 2009, payable to West Michigan Shoreline Regional Development Commission. This agency determines projects and distributes federal transportation funds.

FINANCIAL IMPACT: \$16,040.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve this request.

**G. Request to Purchase Humidification Equipment for Central Fire Station.**  
PUBLIC SAFETY

SUMMARY OF REQUEST: Fire Department staff is requesting approval by the Commission to allow for the procurement and installation of humidification equipment for the Central Fire Station. The low bid, which meets all stated specifications, was submitted by Northside Heating, Cooling, & Refrigeration, 2175 Riegler Rd., Muskegon, MI 49445 for \$22,710. The only other bid received was from Rite-Way Plumbing & Heating, 2083 Walker Ct. NW, Grand Rapids, MI 49544 for \$22,795.

FINANCIAL IMPACT: Funds for this purchase are provided for in the building fund for the new Central Fire Station.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

**H. Budgeted Vehicle Replacement.** PUBLIC WORKS

SUMMARY OF REQUEST: Approve purchase of two Dodge Durangos.

FINANCIAL IMPACT: \$41,373.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve purchase using The Michigan State Purchasing Contract.

**I. Uniform and Rugs Cleaning Contract.** PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Arrow Uniform Company for a four-year contract of cleaning uniforms and rug rental at the Department of Public Works building and the Filtration Plant.

FINANCIAL IMPACT: The cost of \$11,500 per year split up among seven departments.

BUDGET ACTION REQUIRED: None at this time. The cost was anticipated and budgeted for.

STAFF RECOMMENDATION: Authorize staff to enter into a contract with Arrow Uniform.

**J. City/County Agreement regarding Justice Assistance Grant (JAG).** CITY MANAGER

SUMMARY OF REQUEST: To approve an inter-local agreement between the City and the County of Muskegon for the City to acknowledge the County's receipt and use of a 2008 Edward Byrne Memorial Justice Assistance Grant.

FINANCIAL IMPACT: \$16,776 to the County.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution.

**K. Contract Extension – Independent Audit Services.** FINANCE

SUMMARY OF REQUEST: You may recall that in 2004 our prior audit firm (Hoffman, Steensma, & Plamondon) exited the governmental audit business. Brickley DeLong assumed responsibility for the 2004 audit and, subsequently, the City entered into a three-year contract for services with them. This request is to extend the contract with Brickley DeLong for an additional three years. Staff believes this is in the City's best interest for the following reasons:

1. Brickley has presented a proposed extension that includes a cost decrease for the next year and a very modest total cost increase (2%) for the entire three-year period;
2. Brickley's staff is very familiar with the City's financial operations. This reduces staff time and costs. There would be significant upfront costs involved in bringing a new audit firm in;
3. Brickley is a major tenant in downtown Muskegon and is the only in-city firm qualified to perform our audit.

FINANCIAL IMPACT: The average annual cost of the proposed audit contract extension is about 2% higher than the average cost for the prior three-year period.

2005	2006	2007	Average 2005-07	2008	2009	2010	Average 2008-10
\$34,675	\$35,375	\$36,075	\$35,375	\$34,250	\$36,075	\$37,875	\$36,067

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of a three-year contract extension for audit services with Brickley DeLong.

**L. Make Appointments to Various Boards and Committees.** CITY CLERK

SUMMARY OF REQUEST: To appoint Quintan Cooley to the Citizen's Police Review Board, Thomas Pastoor to Community Development Block Grant – CDC, Stephanie Marion to the Leisure Services Board, and Eleanor Fife to the Zoning Board of Appeals.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

COMMITTEE RECOMMENDATION: The Community Relations Committee approved the appointments at their October 13<sup>th</sup> meeting.

**Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the Consent Agenda as read.**

**ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Wisneski, and Gawron**

**Nays: None**

***MOTION PASSES***

**2008-87 PUBLIC HEARINGS:**

**A. Request for an Industrial Facilities Exemption Certificate – Johnson Technology.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Johnson Technology, 2034 Latimer Dr., has requested the issuance of an Industrial Facilities Exemption Certificate. The total capital investment of the project is \$2,000,000 in personal property. The company has requested an abatement length of 12 years. However, under the current City IFT policy, they are eligible for a seven-year abatement.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of seven years for personal property.

The Public Hearing opened to hear and consider any comments from the public. No comments were made.

**Motion by Vice Mayor Gawron, second by Commissioner Spataro to close the Public Hearing and approve an amended resolution granting an Industrial Facilities Exemption Certificate for 12 years for personal property for Johnson Technology.**

**ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski**

**Nays: None**

## **MOTION PASSES**

### **2008-88 NEW BUSINESS:**

#### **A. Sewer Rate Adjustment. FINANCE**

SUMMARY OF REQUEST: The City last adjusted sewer rates (a 15% increase) on July 1, 2007. However, sewer fund revenues simply are not keeping pace with the fee increases being implemented by the County combined with the steadily increasing sewer use that the County is attributing to the City:

<b>12-Month Periods</b>	<b>City Usage (MG)</b>	<b>% Chg</b>	<b>Total System (MG)</b>	<b>% Chg</b>
Sep. 2007 – Aug. 2008	2137	+8%	6813	-13%
Sep. 2006 – Aug. 2007	1984	+7%	7799	+7%
Sep. 2005 – Aug. 2006	1861	+17%	7277	-19%
Sep. 2004 – Aug. 2005	1592	+3%	9007	-5%
Sep. 2003 – Aug. 2004	1549	+18%	9520	+10%
Sep. 2002 – Aug. 2003	1312	-	8683	-

FINANCIAL IMPACT: The sewer rate adjustments will generate \$650,000 additional annualized revenue for the City's sewer fund.

BUDGET ACTION REQUIRED: None at this time. If the rate increase is approved, it will be incorporated into the quarterly budget reforecast together with the higher anticipated County treatment costs.

STAFF RECOMMENDATION: Adoption of the fee adjustment resolution.

**Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the sewer rate adjustment which is a 12% increase effective January 1, 2009.**

**ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski**  
**Nays: None**

## **MOTION PASSES**

#### **B. Sale of City Dockominium Boat Slips. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: The City of Muskegon purchased two boat slips, one in Harbour Towne Marina and one in Pigeon Key Marina, from the State of Michigan (tax-reversion). In an effort to spur downtown residential sales, staff would like to offer one, or both, of these slips for sale. Staff is proposing to offer a slip, at our cost (\$5,000), to the first new purchaser of a downtown residential condominium unit

priced at over \$250,000, by December 31, 2008.

FINANCIAL IMPACT: The City will be reimbursed for our cost into the dockominium and the resulting residential sale will result in increased taxes within our downtown.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the sale of the dockominiums, as outlined in the "Exciting Opportunity for Downtown Living and Recreation" flyer.

**Motion by Commissioner Spataro, second by Commissioner Wierengo to adopt the request to market the boat slip at Harbour Towne Marina as proposed and withhold the Pigeon Key Marina slip until the matter is resolved.**

**ROLL VOTE: Ayes: Wisneski, Gawron, Shepherd, Spataro, Warmington, and Wierengo**

**Nays: None**

***MOTION PASSES***

**C. Assignment & Assumption of Arena Management Contract.** CITY MANAGER

SUMMARY OF REQUEST: To approve an agreement to allow Arena Management Group to assign the L. C. Walker Arena & Conference Center management contract to JS Hockey Enterprises, Inc.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Assignment and Assumption of the management contract.

**Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the Assignment and Assumption of the Arena Management Contract.**

**ROLL VOTE: Ayes: Wierengo, Wisneski, Gawron, Shepherd, Spataro, and Warmington**

**Nays: None**

***MOTION PASSES***

**D. Muskegon Firefighters Local 370 Contract.** CITY MANAGER

SUMMARY OF REQUEST: To approve a collective bargaining agreement with the Muskegon Firefighters Union for 2008 – 2010.

FINANCIAL IMPACT: Wages – 2008 (3%); 2009 (2.5%); 2010 (2.5%). Other minor financial changes are also included.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the agreement and authorize the Mayor and Clerk to sign it.

**Motion by Vice Mayor Gawron, second by Commissioner Shepherd to approve the collective bargaining agreement with the Muskegon Firefighters Union for 2008-2010.**

**ROLL VOTE: Ayes: Warmington, Wierengo, Wisneski, Gawron, Shepherd, and Spataro**  
**Nays: None**

***MOTION PASSES***

**E. Congress of Cities Voting Delegates. CITY CLERK**

SUMMARY OF REQUEST: To designate one of our officials who will be in attendance at the National League of Cities Annual Business Meeting to cast the City's vote; and, if possible, to designate an alternate.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

**Motion by Vice Mayor Gawron, second by Commissioner Spataro to designate Commissioner Shepherd as the delegate to the National League of Cities Annual Business Meeting to cast the City's vote.**

**ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Wisneski, Gawron, and Shepherd**  
**Nays: None**

***MOTION PASSES***

**ANY OTHER BUSINESS:** Commissioner Shepherd presented Chief Kleibecker with a letter commending Officer Timothy Thompson. Mayor Warmington thanked Charles Nash and those who serve on City Boards and Committees.

**PUBLIC PARTICIPATION:** Various comments were heard.

**ADJOURNMENT:** The City Commission Meeting adjourned at 6:12 p.m.

Respectfully submitted,

Ann Marie Becker, MMC  
City Clerk